



**Government Money Purchase
Pension Plan Committee**

Activity Plan

January 1, 2014 – December 31, 2016

Table of Contents

Message from the Chair.....	i
1.0 Overview.....	1
2.0 Mandate.....	1
3.0 Values.....	1
4.0 Primary Clients and Stakeholders.....	1
5.0 Vision.....	1
6.0 Committee Priorities.....	2

GOVERNMENT MONEY PURCHASE PENSION PLAN COMMITTEE

**P.O. Box 8700
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March 31, 2014

Honourable Charlene Johnson
Minister of Finance
Government of Newfoundland and Labrador
Confederation Building
St. John's, NL A1B 4J6

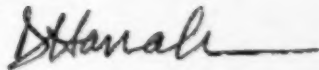
Dear Minister Johnson:

The Government Money Purchase Pension Plan (GMPP) is a capital accumulation plan that is designed to provide pension coverage for part-time employees of government and its agencies and full-time employees of participating employers ineligible to participate in another government sponsored plan. A GMPP Committee has been overseeing the management of the plan since its inception in 1989.

Pursuant to the provisions of the *Transparency and Accountability Act*, the GMPP Committee is accountable for the preparation of the Activity Plan and the achievement of the objectives as outlined in the plan. In the preparation of this plan, a review was completed of the strategic directions of government, as they relate to the mandate of the GMPP and communicated by the responsible Minister. It was determined that those directions are currently not applicable to the GMPP. However, prudent management of the pension plan by the GMPP Committee is consistent with the overall priorities of the responsible Minister to enhance the operations of all pension plans sponsored by the Province.

As the Chair of the GMPP Committee, it is my pleasure to submit the Activity Plan for the GMPP Committee covering the fiscal years ending December 31, 2014, 2015 and 2016.

Yours sincerely,



Denise Hanrahan
Chair of the GMPP Committee

2014-16 Activity Plan

1.0 Overview

The Government Money Purchase Pension Plan (GMPP) was created under the *Government Money Purchase Pension Plan Act* on April 1, 1989. The GMPP was established to provide pension coverage for part-time employees of Government and its agencies and full-time employees of participating employers ineligible to participate in another government sponsored plan. As of December 31, 2013, there were 31,919 plan member accounts under administration which included 12,839 active members (those who contributed to the GMPP during 2013) and 53 participating employers.

The operations of the GMPP are overseen by the GMPP Committee. Committee members are appointed by the Lieutenant Governor in Council to advise the Minister of Finance, as Trustee, on the administration of the plan. The GMPP Committee has 11 members including representatives from government and the plans' stakeholders, which includes employee groups. The Assistant Deputy Minister of Finance (Financial Planning and Benefits Administration) serves as the Chair.

2.0 Mandate

Pursuant to section 12.1 of the *Government Money Purchase Pension Plan Act*, the GMPP Committee is established by the Lieutenant Governor in Council and mandated to administer the GMPP. The mandate is delivered by completing the following activities:

- Development, implementation and review of investment alternatives to provide plan members with the ability to make an active investment decision with respect to their accumulated funds
- Promotion of the plan and education of plan members on the importance of taking an active interest in their investments
- Oversight of investment options to ensure that contributions accumulated to the credit of plan members are invested prudently in the investment classes prescribed by the Committee
- Oversight of the services provided by the Record Keeper and the performance of the Investment Manager

3.0 Values

Under the GMPP, the level of benefits provided at retirement is dependent on the contributions and the income earned on those contributions during an employee's career. It is therefore critical that participating employees become actively engaged in the management of their respective plan assets in order to ensure security in retirement. The GMPP has therefore established the following principle value that guides the work of its committee members:

Self Determination:

All plan members have a right to make or not to make an active investment decision with respect to their accumulated funds.

4.0 Primary Clients and Stakeholders

The primary clients for the GMPP Committee are the employees who participate in the plan. The stakeholders for the GMPP Committee are the Minister of Finance as Trustee, the 53 participating employers and the unions which represent the participating employees.

5.0 Vision

The vision of the GMPP Committee is the maximization of the amount of pension funds available at retirement for all participating employees.

6.0 Committee Priorities

The GMPP Committee is mandated to assist the responsible Minister with the administration of the Money Purchase Pension Plan and provide recommendations on matters referred to them by the Minister. Responsibilities of the Committee include the development, review and implementation of investment policies; the recommendation of investment consultants, custodian and investment managers for appointment; and the review of all activities of the plan administrator, Great West Life. Additionally, the GMPP Committee is responsible for assisting pension plan members to decide how to allocate employee and employer contributions to a variety of investment vehicles. The main objective is to achieve a maximum accumulation of benefits at retirement.

The GMPP Committee is committed to fulfilling its mandated responsibilities. As such, it will provide annual reports detailing the activities it undertook during each preceding fiscal year (December 31, 2014, December 31, 2015 and December 31, 2016) in compliance with its mandate¹.

Objective: By December 31 2014, 2015 and 2016, the GMPP will have advised the responsible Minister on the administration of the Money Purchase Pension Plan.

Measure: Advised responsible Minister

Indicators:

- Developed, implemented and/or reviewed investment alternatives to provide plan members with the ability to make an active investment decision with respect to their accumulated funds
- Promoted the plan and educated plan members on the importance of taking an active interest in their investments
- Oversight of investment options to ensure that contributions accumulated to the credit of plan members are invested prudently in the investment classes prescribed by the Committee
- Oversight of the services provided by the Record Keeper and the performance of the Investment Manager
- When requested, provided recommendations to the responsible Minister on matters referred to the Committee

¹ It is noted that the Committee opted not to develop a mission statement (consistent with Government Guidelines) because doing so would be repetitive of its mandate and therefore add no value to the planning process. Additionally, the Committee considered the responsible Department's mission statement but determined that it had no direct role to play at this time.